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12 December 1964

MEMORANDUM FOR: Deputy Director (Science & Technology)

SUBJECT : Status of Funding of [   ] Program   25X1

1. The following is a memorandum for record of a telephone conversation I had with Dr. McMillan:

"On Tuesday, 8 December, in a telephone conversation with Dr. McMillan, I told him that I was not clear on the funding picture of [   ] and asked him if he had had an opportunity to develop the review points of the program as agreed at the NRO ExCom meeting of 1 December. Dr. McMillan told me that he was holding about [   ] program and that the contracts are with [   ] for development -- not a feasibility study. Dr. McMillan stated, 'Vance never agreed that it was a feasibility study.' He said that Mr. Vance had said the projects would go on and would be reviewed from time to time and that's the way Dr. McMillan is proceeding. I told Dr. McMillan that this was contrary to Mr. McCone's clear understanding."

2. Records I have been holding but which I am sure are incomplete as well as out of date indicate the following:

a. In the minutes of the NRO ExCom meeting as prepared by the DD/NRO, Mr. Kiefer, for August 26, 1964, the following statement appears:

"Secretary Vance inquired next as to unresolved budgetary items. It was agreed that [   ] [   ] were settled in the Phase I aspects."

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      b. On 10 September at the NRO ExCom meeting,
Dr. McMillan reported that he was ready to proceed on
a Phase I type of operation for ⬚⬚⬚⬚⬚⬚ (This   25X1
Phase I is identical to the Phase I feasibility study on

25X1 ⬚⬚⬚⬚⬚⬚

      3. Please urgently research records available to you
from minutes or other discussions between Mr. McCone and
Mr. Vance in this regard. It is Mr. McCone's clear under-

25X1 standing that ⬚⬚⬚⬚⬚⬚ were to be feasibility   25X1
studies prior to any development funding and that Mr. Vance
was in complete agreement with this.

      4. The sooner you can do this, the better it will be for
all.

SIGNED

Marshall S. Carter
Lieutenant General, USA
Deputy Director

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